

# Economic Development

## MISSION STATEMENT

The mission of the Department of Economic Development is to develop and implement strategies that will produce business and employment opportunities for residents of the County, expand the County's economic base, enhance the competitiveness of businesses located in the County, and promote the locational advantages of the County.

## BUDGET OVERVIEW

The total recommended FY08 Operating Budget for the Department of Economic Development is \$11,033,260, an increase of \$1,199,730 or 12.2 percent from the FY07 Approved Budget of \$9,833,530. Personnel Costs comprise 50.2 percent of the budget for 53 full-time positions and seven part-time positions for 51.5 workyears. Operating Expenses account for the remaining 49.8 percent of the FY08 budget.

Not included in the above recommendation is a total of \$378,860 and 3.6 workyears that are charged to: Capital Improvements Program - CIP (\$268,890, 2.6 WYs); and Economic Development Fund (\$109,970, 1.0 WY). The funding and workyears for these items are included in the receiving departments' budgets.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

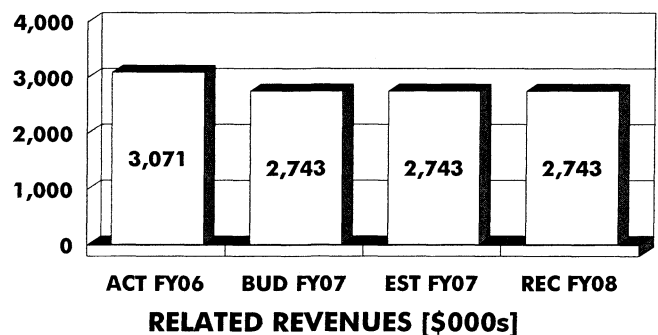
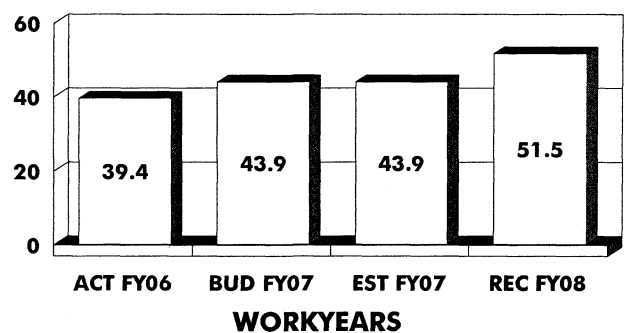
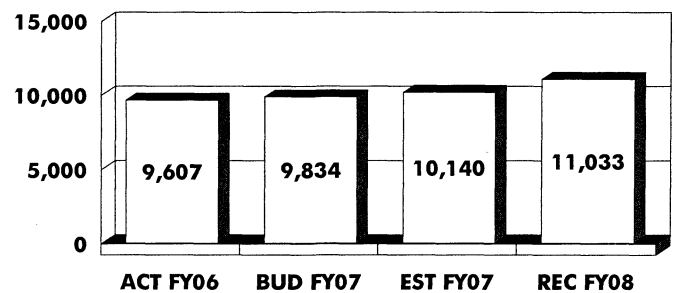
## HIGHLIGHTS

- ❖ *Add dedicated incubator specialists to both the Silver Spring Innovation Center and the Rockville Innovation Center to address immediate concerns and problems at the facility on any given day.*
- ❖ *Continued outreach and marketing of the Local Small Business Reserve Program.*
- ❖ *Open the Rockville Innovation Center and the Germantown Innovation Center.*
- ❖ *Gang and Youth Violence Initiative - Provide summer jobs for 40 youth in Germantown, Wheaton and Silver Spring.*
- ❖ *Increase funding by \$80,000 to support operations at the Wheaton Business Innovation Center.*
- ❖ *Increase funding by \$600,000 to support operations at the Germantown Innovation Center.*
- ❖ *Productivity Enhancements*
  - *Full integration of the new database software for business prospects, which provides staff the ability to monitor prospect development in real time and from*

## Program Summary

	Expenditures	WYs
Marketing and Business Development	1,907,070	12.0
Workforce Investment Services	3,952,310	7.8
Agricultural Services	970,960	7.2
Finance, Administration, and Special Projects	2,468,730	10.0
Office of the Director	1,734,190	14.5
<b>Totals</b>	<b>11,033,260</b>	<b>51.5</b>

## Trends



**any location.**

**•Purchase of In-Design software to allow current marketing staff to design, produce and edit collateral materials.**

**•Purchase and implementation of teleconferencing tools within the department and incubators to encourage participation in programs and meetings without having to leave the work location.**

**•Renegotiated lease at One-Stop site in Wheaton so that the County is paying the lease directly instead of having the lease administered through the One-Stop vendor.**

**•Renewed rent space in Wheaton for the Sales and Service Learning Center (SSLC) for three more years rent free.**

**•Implementation of the Maryland Workforce Exchange system, which is a virtual One-Stop Career Center that connects businesses and job seekers.**

**•Allow other County departments use of the Department of Economic Development's existing marketing contracts, which has resulted in both time savings and fiscal savings for the County.**

## PROGRAM CONTACTS

Contact Peter Bang of the Department of Economic Development at 240.777.2008 or Alison Dollar of the Office of Management and Budget at 240.777.2781 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Marketing and Business Development

This program promotes the assets, advantages and opportunities available within Montgomery County for domestic and international businesses and provides services and activities that result in the attraction and retention of those businesses to the County. This includes small businesses as well as specialized industry sectors including telecommunications, biotechnology, information technology, advanced engineering and professional services. A major focus of the program is on leads generated by the Department's business development specialists.

Promotional activities include media relations; event coordination; local, regional, national and international advertising; and development of informational and sales materials. These efforts help to position the County in a highly competitive environment, and they set the stage for direct contact. Business specialists meet with company representatives during business visits, conferences and other events to offer assistance. They also serve as liaisons to business organizations to help identify and assist new and expanding companies. Assistance includes needs assessment, financial and training assistance, site identification and expediting and coordinating development. The program provides clients with land-use planning expertise, economic analysis, financing and

international trade assistance. Programs also include the development of high technology and professional services companies as well as the attraction and retention of national headquarters of nonprofit organizations and Federal agencies.

Activities and materials are directed toward achieving balanced economic growth with a positive business climate and are often closely coordinated with local, regional and State partners, such as the Maryland State Department of Business and Economic Development (DBED) and the Greater Washington Initiative (GWI).

### FY08 Recommended Changes

	Expenditures	WYs
<b>FY07 Approved</b>	<b>1,897,280</b>	<b>12.8</b>
<b>FY08 CE Recommended</b>	<b>1,907,070</b>	<b>12.0</b>

### Workforce Investment Services

The mission of the Montgomery County Division of Workforce Investment Services (DWIS) is to ensure that Montgomery County has a well-prepared, educated, trained, and adaptable workforce to meet the current and future needs of business, and that the County workforce has the tools and resources to successfully compete in an evolving economy.

DWIS is advised by a 30-member Workforce Investment Board (WIB), composed of business representatives (51%), community leaders and public officials. The board is appointed by the County Executive in accordance with the Workforce Investment Act (WIA) of 1998 and Montgomery County Executive Order No. 159-02. The DWIS staff provide support to the Board by implementing directives and policy initiatives.

DWIS is funded by approximately \$3 million in Federal Government, State of Maryland and Montgomery County funds. The majority of funds are received under WIA to implement the One-Stop career system. This system, operated locally as MontgomeryWorks, provides an array of vocational assessment, job readiness, job training and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers and youth. Program staff provide overall administrative support of the WIA grants, and are responsible for fiscal monitoring and accounting, program monitoring and review, new program development and grants, legislative development, and contract management of several service providers for the WIA and County programs. The WIB provides policy oversight and guidance for the expenditure of these funds enabling local business, public and private sectors to work collaboratively in meeting the workforce development needs of Montgomery County.

Services are provided at the MontgomeryWorks One-Stop Workforce Centers in Wheaton and Gaithersburg, which are operated as a consortium with the Maryland Job Service and the Career Transition Center, Inc. (CTC), and numerous other nonprofit and local agency partners. MontgomeryWorks served over 9,800 adult and youth residents in FY06 with core services, intensive counseling services and the purchase of occupational skills training.

### **FY08 Recommended Changes**

- ☐ *Gang and Youth Violence Initiative - Provide summer jobs for 40 youth in Germantown, Wheaton and Silver Spring.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>3,758,530</b>	<b>4.0</b>
<b>FY08 CE Recommended</b>	<b>3,952,310</b>	<b>7.8</b>

### **Agricultural Services**

This program encompasses the promotion of agriculture as a viable component of the County's business and economic sector, as well as the preservation of farmland as a resource for future agricultural production capabilities. The Department of Economic Development co-sponsors farmers' markets, an annual farm tour, and other activities which promote agricultural products. The goal of the Agricultural Preservation Program is to acquire easements to protect 70,000 acres of farmland in the Agricultural Reserve by the year 2010. Agricultural Services also provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control program.

The Montgomery Soil Conservation District (MSCD) is considered a political subdivision of the State and is staffed by County, State, and Federal employees. Programs offered by MSCD include an array of technical advice for conservation and natural resource planning as well as a variety of educational opportunities. MSCD staff assist farmers and landowners in the County with Soil Conservation and Water Quality Plans, provide technical assistance for conservation practices, and administer a variety of Federal and State cost-share programs which help fund projects to prevent soil erosion and improve water quality. Many of these programs are designed to help protect local waterways and the Chesapeake Bay. The MSCD provides a number of programs that focus on educating Montgomery County residents about the benefits of agriculture, conservation, and natural resources management. Other services include small pond review, drainage advice for residential landowners, and administering the Cover Crop program in the County.

The Cooperative Extension Office serves as the agricultural outreach education component of the University of Maryland. This agency is funded cooperatively through local, State, and Federal governments. Farmers, families, and youth are the primary audiences of the Extension Office. Educational programs for farmers include raising crops and livestock, protecting the environment, farm and business management, marketing commodities, and pest management. Programs for families and youth include: home horticulture, family budgeting, consumer education with a focus on promoting positive parenting skills and healthful diets and lifestyles, leadership development, and traditional 4-H programs. The Extension Office's professional staff utilizes an extensive network of volunteers to assist them in program delivery. Extension Office personnel manage a diverse group of over 3,000 volunteers to respond to over 100,000 information requests a year. Outreach education programs are delivered informally through one-on-one contacts, telephone assistance, the internet, classes and workshops, field days, radio, TV, and print media.

### **FY08 Recommended Changes**

	Expenditures	WYs
<b>FY07 Approved</b>	<b>933,900</b>	<b>7.2</b>
<b>FY08 CE Recommended</b>	<b>970,960</b>	<b>7.2</b>

### **Finance, Administration, and Special Projects**

This program is responsible for all departmental administrative efforts, which enable direct services for fiscal and contract management, strategic planning, and special projects. This program administers three financing programs under the Economic Development Fund: the Economic Development Grant and Loan program, the Technology Growth program, and the Small Business Revolving Loan program.

This program also works in concert with Marketing and Business Development to promote the development of high technology and professional services companies within Montgomery County. In addition, the program oversees the development and management of the Shady Grove Life Sciences Center and planning for several new science and technology centers in Germantown at the Montgomery College campus and East County in the White Oak area. The program also oversees the management of the Maryland Technology Development Center (MTDC), the Silver Spring Innovation Center (SSIC), the Johns Hopkins Belward Research Campus, and planning and implementing various development projects with long-term positive impact to the County.

This program is also responsible for the administration of the Local Small Business Reserve Program. The Local Small Business Reserve Program was created to enhance the competitiveness of County-based small businesses by creating separately defined County procurement opportunities for local small businesses.

### **FY08 Recommended Changes**

- ☐ *Open the Rockville Innovation Center and the Germantown Innovation Center.*
- ☐ *Increase funding by \$600,000 to support operations at the Germantown Innovation Center.*
- ☐ *Increase funding by \$80,000 to support operations at the Wheaton Business Innovation Center.*
- ☐ *Continued outreach and marketing of the Local Small Business Reserve Program.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>2,007,780</b>	<b>10.4</b>
<b>FY08 CE Recommended</b>	<b>2,468,730</b>	<b>10.0</b>

### **Office of the Director**

The Department of Economic Development is organized to promote team-based approaches to implementing economic development initiatives. This program provides overall direction and supervision for all programs, policies and representation of the Department. The Office of the Director functions as a liaison to local, State, Federal, and international governments; the community; small and minority owned businesses; and private industry partners, and serves as the leader in developing and implementing economic development opportunities for

The major focus of the program is to establish and maintain high-level relationships with local government and private industry organizations, State and Federal agencies, and national and international governments and organizations. These important contacts are sought through meetings, trade shows and conferences, national and international missions, and other major events that provide exposure and opportunities to market and promote the County's economic vision.

Also housed in the Office of the Director is the Department's business incubator program and small and minority business services program. The County's Business Incubator Network currently has three facilities in operation. These incubators, housed in 90,000 square feet of space, provide office space and lab facilities, high-level technical assistance and innovative programming to 75 budding entrepreneurial businesses. The program, which will add two more incubators to its inventory, also contains a virtual incubator endeavor, which provides services to businesses, but not office space.

Within the Office of the Director, a variety of programs and services are provided to the County's small and minority business community, including technical publications and services, workshops and conferences, the business mentorship program and events targeted to such areas as procurement and contracting. The Action Business Committee and the Manager of Business Empowerment also provide advice on strategies that address the unique needs of small and minority businesses.

**FY08 Recommended Changes**

- ☐ *Add dedicated incubator specialists to both the Silver Spring Innovation Center and the Rockville Innovation Center to address immediate concerns and problems at the facility on any given day.*

	Expenditures	WYs
<b>FY07 Approved</b>	<b>1,236,040</b>	<b>9.5</b>
<b>FY08 CE Recommended</b>	<b>1,734,190</b>	<b>14.5</b>

## BUDGET SUMMARY

	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	2,670,617	3,249,760	3,292,070	4,187,430	28.9%
Employee Benefits	821,493	1,030,920	1,055,200	1,219,990	18.3%
<b>County General Fund Personnel Costs</b>	<b>3,492,110</b>	<b>4,280,680</b>	<b>4,347,270</b>	<b>5,407,420</b>	<b>26.3%</b>
Operating Expenses	3,089,983	2,852,850	3,093,170	2,925,840	2.6%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>6,582,093</b>	<b>7,133,530</b>	<b>7,440,440</b>	<b>8,333,260</b>	<b>16.8%</b>
<b>PERSONNEL</b>					
Full-Time	42	48	48	52	8.3%
Part-Time	3	2	2	6	200.0%
Workyears	39.4	43.9	43.9	49.7	13.2%
<b>REVENUES</b>					
State Salary Reimb: Soil Cons District Mgr	46,615	42,910	42,910	42,910	—
<b>County General Fund Revenues</b>	<b>46,615</b>	<b>42,910</b>	<b>42,910</b>	<b>42,910</b>	—
<b>GRANT FUND MCG</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	96,880	—
Employee Benefits	0	0	0	30,700	—
<b>Grant Fund MCG Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>127,580</b>	—
Operating Expenses	3,024,786	2,700,000	2,700,000	2,572,420	-4.7%
Capital Outlay	0	0	0	0	—
<b>Grant Fund MCG Expenditures</b>	<b>3,024,786</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	—
<b>PERSONNEL</b>					
Full-Time	0	0	0	1	—
Part-Time	0	0	0	1	—
Workyears	0.0	0.0	0.0	1.8	—
<b>REVENUES</b>					
Naval Surface Warfare Center	58,000	0	0	0	—
Workforce Investment Act Grants	1,833,369	2,700,000	2,700,000	2,700,000	—
Disability Grant:Workforce Invest Serv	741,076	0	0	0	—
WIS - State Funds	-1,524	0	0	0	—
Disability Program Navigator	160,720	0	0	0	—
MD Incumbent Worker	98,792	0	0	0	—
TEDCO Grant	2,377	0	0	0	—
Statewide 50% Training	49,108	0	0	0	—
MD Healthcare Incumbent Worker	8,521	0	0	0	—
MD Youth Demo	50,347	0	0	0	—
MD Neg Brac	24,000	0	0	0	—
<b>Grant Fund MCG Revenues</b>	<b>3,024,786</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	—
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>9,606,879</b>	<b>9,833,530</b>	<b>10,140,440</b>	<b>11,033,260</b>	<b>12.2%</b>
<b>Total Full-Time Positions</b>	<b>42</b>	<b>48</b>	<b>48</b>	<b>53</b>	<b>10.4%</b>
<b>Total Part-Time Positions</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>250.0%</b>
<b>Total Workyears</b>	<b>39.4</b>	<b>43.9</b>	<b>43.9</b>	<b>51.5</b>	<b>17.3%</b>
<b>Total Revenues</b>	<b>3,071,401</b>	<b>2,742,910</b>	<b>2,742,910</b>	<b>2,742,910</b>	—

## FY08 RECOMMENDED CHANGES

	Expenditures	WYs
<b>COUNTY GENERAL FUND</b>		
<b>FY07 ORIGINAL APPROPRIATION</b>	<b>7,133,530</b>	<b>43.9</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Germantown Innovation Center Subsidy [Finance, Administration, and Special Projects]	600,000	1.0
Add: Position to work on economic development policy and other special projects [Office of the Director]	109,900	0.7
Add: Rockville Innovation Center Incubator Specialist Position [Office of the Director]	88,000	1.0
Add: Silver Spring Innovation Center Incubator Specialist Position [Office of the Director]	88,000	1.0
Enhance: Funding to support Wheaton Business Incubator Operations [Finance, Administration, and Special Projects]	80,000	0.0
Add: Summer Jobs for 40 youth in Germantown, Wheaton and Silver Spring (Gang and Youth Violence Prevention Initiative) [Workforce Investment Services]	50,000	0.0
Eliminate: Maritime Technology Alliance [Marketing and Business Development]	-15,000	0.0
Reduce: Operating funds to cover increased personnel costs for interns [Finance, Administration, and Special Projects]	-16,800	0.0
Reduce: Miscellaneous Operating Expenses	-22,630	0.0
Reduce: Annualization of FY07 Operating Expenses	-49,710	0.0
Eliminate: National Work-Life Alliance (Alliance for Workplace Excellence) [Workforce Investment Services]	-75,000	0.0
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: General Wage and Service Increment Adjustments	242,720	0.0
Increase Cost: Annualization of FY07 Personnel Costs	152,980	0.0
Increase Cost: Annualization of FY07 Lapsed Positions	44,920	0.5
Increase Cost: Expansion of the Wheaton Business Incubator [Finance, Administration, and Special Projects]	20,000	0.0
Increase Cost: MLS Adjustment	17,060	0.0
Increase Cost: Summer Intern Positions [Office of the Director]	16,800	0.6
Increase Cost: Retirement Rate Adjustment	10,610	0.0
Increase Cost: Motor Pool Rate Adjustment	3,520	0.0
Increase Cost: Printing and Mail Adjustments	3,020	0.0
Increase Cost: Labor Contracts - Other	1,700	0.0
Shift: LSBRP Operating funds to Personnel	0	0.3
Shift: Workforce Investment Operating to Personnel [Workforce Investment Services]	0	1.0
Decrease Cost: Group Insurance Rate Adjustment	-22,250	0.0
Decrease Cost: Budgeted Lapse	-28,110	-0.3
Decrease Cost: Elimination of One-Time Items Approved in FY07	-100,000	0.0
<b>FY08 RECOMMENDED:</b>	<b>8,333,260</b>	<b>49.7</b>
<b>GRANT FUND MCG</b>		
<b>FY07 ORIGINAL APPROPRIATION</b>	<b>2,700,000</b>	<b>0.0</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Shift: Workforce Grants [Workforce Investment Services]	0	1.8
<b>FY08 RECOMMENDED:</b>	<b>2,700,000</b>	<b>1.8</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY08	FY09	FY10	(\$000's) FY11	FY12	FY13
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY08 Recommended</b>	<b>8,333</b>	<b>8,333</b>	<b>8,333</b>	<b>8,333</b>	<b>8,333</b>	<b>8,333</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY08</b>	<b>0</b>	<b>-250</b>	<b>-250</b>	<b>-250</b>	<b>-250</b>	<b>-250</b>
Items approved for one-time funding in FY08, including a portion of the subsidy to the Germantown Innovation Center, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>295</b>	<b>590</b>	<b>619</b>	<b>619</b>	<b>619</b>
These figures represent the annualization of service increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustments and service increments) for personnel are included for FY09 and beyond.						
<b>Labor Contracts - Other</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
These figures represent other negotiated items included in the labor agreements.						
<b>Subtotal Expenditures</b>	<b>8,333</b>	<b>8,380</b>	<b>8,675</b>	<b>8,704</b>	<b>8,704</b>	<b>8,704</b>

ECONOMIC DEVELOPMENT						
<b>PROGRAM:</b> Agricultural Services		<b>PROGRAM ELEMENT:</b> Agricultural Easements				
<b>PROGRAM MISSION:</b> To promote and represent agriculture as a viable component of the County's business and economic sector, to enhance coordination of agricultural programs and services offered by government agencies, and to protect 70,000 acres of productive farmland through protective easements by the year 2010						
<b>COMMUNITY OUTCOMES SUPPORTED:</b> <ul style="list-style-type: none"><li>• Increase the general public's understanding and awareness of the agricultural industry by outreach efforts, events planning, educational programs, and liaison services</li><li>• Increase economic opportunities for prospective farmers by providing education, programs, and support services</li><li>• Promote and foster a positive business climate for farming</li><li>• Ensure that Montgomery County will have agricultural production capabilities in the future</li><li>• Improve the quality of life by protecting farmland</li><li>• Provide efficient and responsive government services</li></ul>						
<b>PROGRAM MEASURES</b>		<b>FY04 ACTUAL</b>	<b>FY05 ACTUAL</b>	<b>FY06 ACTUAL</b>	<b>FY07 BUDGET</b>	<b>FY08 CE REC</b>
<b><u>Outcomes/Results:</u></b>						
Number of farms protected by easement programs		92	95	99	109	113
Number of acres newly protected by easement		1,008	424	764	1,463	611
Number of acres newly protected through Transfer of Development Rights (TDR)		1,691	3,542	2,273	300	200
Cumulative number of acres protected by easement and TDR		61,031	64,997	68,034	69,797	70,608
<b><u>Service Quality:</u></b>						
Percentage of easement application-related questions answered within two working days		85	90	90	90	90
<b><u>Efficiency:</u></b>						
Number of farms/farmers assisted per workyear		30	43	35	31	31
Number of acres newly protected by easement per workyear		252	121	218	325	153
<b><u>Workload/Outputs:</u></b>						
Number of farms/farmers assisted		105	150	110	125	140
<b><u>Inputs:</u></b>						
Expenditures - General Fund (\$000)		166	168	280	222	226
Expenditures - CIP (\$000)		2,965	2,242	4,243	8,425	6,346
Workyears - General Fund		1.4	1.4	1.4	1.4	1.4
Workyears - CIP		1.6	2.1	2.1	2.1	2.6